



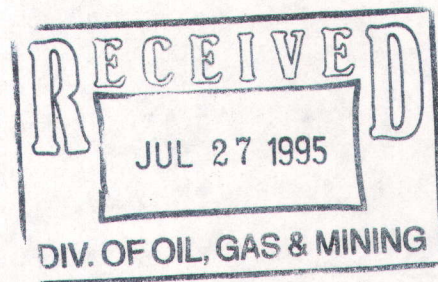
State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

Scott Hirschi
Director

355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84180-1204
801-538-5508
801-355-0922 (Fax)



July 26, 1995

CERTIFIED MAIL NO. P 879 605 536

Bradshaw Pumice & Perlite Co.
Box 335
Milford, UT 84751

RE: ML 40197, ML 40198, and ML 41353--Volcanic Materials

Gentlemen:

I am in receipt of a copy of the July 19, 1995, letter sent to you by the Division of Oil Gas & Mining. The letter advises that in 30 days from the date of said letter the Division of Oil, Gas & Mining will recognize your notice of intent to commence mining upon the lands within the above numbered leases, conditioned upon your assumption of responsibility for all previous and future pumice and perlite mining operations upon the lands.

I am writing to clarify for you that Bradshaw Pumice & Perlite must additionally obtain permission from the School and Institutional Trust Lands Administration, as lessor, prior to entering upon the state lands to commence mining. By letter of May 31, 1995, I requested some clarification of your proposed plan of operations but have received no reply. Bradshaw Pumice & Perlite may not enter upon the state leaseholds to commence mining until a satisfactory plan of operations and adequate bonding for existing and proposed mining has been approved by the School and Institutional Trust Lands Administration. I will be happy to work with you in trying to achieve this goal.

Sincerely,

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Wayne Hedberg, DOGM
John Andrews
D. Bellaire, Mountain View Mining



Surface Examination Report

Mineral Mountain, Ranch Canyon, State Volcanic Material Leases
Beaver County, Utah

Date of Inspection: June 19, 1995

Conducted by: William M. Stokes, SITLA, Minerals

Conditions: Excellent

Lands: Section 36, T. 27 S., R. 9 W. & Section 2, T. 28 S., R. 9 W. SLM

On June 19, 1995 a surface examination was conducted on various volcanic material leases that encompass Utah State trust lands on the above referenced sections. Map 1 of this report depicts the various leasehold interests in the above referenced lands. This examination is pertinent to the School and Institutional Trust Lands Administration and the Division of Oil Gas and Mining to identifying the location and extent of the mine related disturbances that have been created by the Lessees on the above referenced lands. Only surface disturbances created on School Trust lands were examined. Disturbances on BLM and Fee lands are to be examined by Gina Pack of the BLM, Beaver River Resource Area with offices located in Cedar City.

Boundary lines between sections 35 and 36 of T. 27 S., R. 9 W., and sections 1 and 2 of T. 28 S., R. 9 W., were established in the field by flagging, with surveyors tape and using a Brunton Compass for direction, the trace of the section boundary lines as they extend from the common section corner of sections 1, 2, 35 and 36 as depicted on Map 1.

For the purpose of this report each lease and the lands that are held by each lease will be discussed separately.

ML-35683, Lopez Investment

Utah State volcanic materials lease ML-35683 is held by Lopez Investment and includes 800 acres in the E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$ of section 36, T. 27 S., R. 9 W. and the S $\frac{1}{2}$ of section 2, T. 28 S., R. 9 W.

The only area of apparent active mining on the Lopez leased lands is located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of section 36. (See Map 1) Photo # 1 shows the relationship of the Lopez mined area with respects to the common section line of section 36 in T. 27 S., R. 9 W. and section 1 in T. 28 S., R. 9 W. Photo. # 2 is an attempt to show the various surface disturbances that are associated with the Lopez mining activity in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of section 36. The approximate area of mine related disturbance on the Lopez lease was determined by pacing the average width and length of each disturbance. The approximate area of mine related disturbance is as follows: (Refer to Photo # 2)

Main road turn-out, 15'X210' = 3,150 sq ft = .072 Acres

Stock pile next to main road, 60'X168' = 10,080 sq ft = .23 acres

Road to bottom of slide, 15'X500' = 7,500 sq ft = .172 acres
Bottom of slide loading area, 135'X100' = 13,500 sq ft = .31 acres
Slide, 300'X25' = 7,500 sq ft = .172 acres
Main excavation area, 150'X100' = 15,000 sq ft = .34 acres
East side road access, 15'X900' = 13,500 sq ft = .31 acres

Total estimated area of mine related disturbance on the Lopes lease is 1.606 acres.

Photo. # 3 shows the condition of the old road that once provided access to the Lopez mine area from the Bradshaw mine area in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of section 1, T. 28 S., R. 9 W. This road is not considered to be a mine related disturbance by the BLM as it is a prior existing road and is thus not subject to reclamation.

ML-18847, J & J Masonry

Utah State volcanic materials lease ML-18847 is held by J & J Masonry and includes Lots 2, 3 & 4 and the S $\frac{1}{2}$ N $\frac{1}{2}$ of section 2, T. 28 S., R. 9 W.

The only observed mine related disturbance is located in the N $\frac{1}{2}$ of Lots 2. of section 2. (See Map 1) Photo # 4 shows the approximate trace of the common section boundary between section 2, T. 28 S., R. 9 E and section 35, T. 27 S., R. 9 E.

From observations made on the J & J mine site it does not appear that there has been any recent mining activity even though representatives of J & J mining have reported to DOGM annual removal of material from the mine. Photo # 5 shows a panorama of the J & J mine site. The approximate acreage of disturbed area on the J & J mine site is as follows:

Mine area, 660'X 175' = 115,500 sq ft = 2.65 acres
Access road to mine 520'X15' = 7,880 sq ft = .18 acres

Total mine related disturbance in the J & J lease is approximately 2.83 acres.

Of some concern to DOGM is a small adit and tunnel on the J & J mine site. (See Photo. # 5) The Division of Oil Gas and Mining has requested that this adit be closed and the Lessee has reported that they have done so. As evidenced by Photo # 5 no effort has been made to close this adit.

ML-40197, ML-40198 & ML-41353, Bradshaw Pumice and Perlite

The above referenced Utah State volcanic materials leases are held by Bradshaw Pumice and Perlite and encompass the following lands:

ML-40197, Lot 1, Section 2, T. 28 S., R. 9 W., 53.32 Acres
ML-40198, W $\frac{1}{2}$ SW $\frac{1}{4}$, Section 36, T. 27 S., R. 9 W., 80 Acres

ML-41353, W $\frac{1}{2}$ NW $\frac{1}{4}$ Section 36, T. 27 S., R. 9 W., 80 Acres

At the time of this inspection the only areas of apparent active mining on State land were observed on ML-40197, Lot 1 of section 2 T. 28 S., R. 9 W. Bradshaw Pumice and Perlite has proposed other mining sites which include lands within each of the above referenced leased areas. These proposed areas are also shown on Map 1 of this report.

Mine related disturbances on Lot 1 of section 2 include areas where material has been removed, sorted and stockpiled. Photo # 6 shows a disturbance that Bradshaw has identified as a proposed mine site on topographic maps submitted to SITLA. This disturbance, which will be referred to as the "point disturbance", is in the northern most part of Lot 1 and has obviously been the site of past mine related activity. It is difficult to determine if there has been any recent mine related activity in this area. Photo # 7, which is taken from the point disturbance shows other mined areas and stockpiles that are within the boundaries of Lot 1, section 2.

The Approximate area of mine related disturbance on ML- 40197, Lot 1, section 2 is as follows:

Lot 1, Point disturbance, 300'X300' = 90,000 sq ft = 2.07 acres

Lot 1, Stockpile area, 200'X480' = 96,000 sq ft = 2.20 acres

Lot 1, Mt. View # 2 and adjacent land, 210'X300' = 63,000 sq ft = 1.45 acres (See Photo # 7)

Lot 1, Mine Roads, 520'X15' = 7,800 sq ft = .18 acres

Total area of mine related disturbances on ML-40197, Lot 1, is approximately 5.9 acres.

The disturbances on Lot 1 and other mine related disturbances created by Bradshaw Pumice and Perlite on BLM land well exceed the allowed maximum disturbance under a small mine permit.

Bradshaw Pumice and Perlite has submitted various topographic maps and surveyed maps on which they have identified various proposed mine sites. These proposed mine sites are shown on Map 1 of this report either with a capital "T", to indicate the site was proposed on a topographic map, or a capital "S" to indicate the site was proposed on a surveyed plat. On ML-40197, Lot 1 of section 2 the proposed site marked with a "T", as depicted on Map 1 of this report, is on a disturbed area that has been included in the acreage of mine disturbances in Lot 1 and is identified as the "point disturbance" in this report. Also in Lot 1 is a proposed site identified on Map 1 as site "S1" which fall on a previously undisturbed area and is not included in the total acreage of present mine related disturbances. Proposed site "S2" in Lot 1 is identified in this report as the Mt. View # 2 site and is included in the total acreage of mine related disturbances.

A proposed mining area within ML-40198, the W $\frac{1}{2}$ SW $\frac{1}{4}$ of section 36 is marked on Map 1 with a "T". This proposed site lies very near an old disturbance that shows no evidence of recent mining activity and is partially re-vegetated. (See Photos # 9 & 10.)

The proposed mine sites on ML-41353, W $\frac{1}{2}$ NW $\frac{1}{4}$ of section 36, which is marked with a "T" on Map 1, is at the site of an old mined area that shows little evidence of recent mining activity. The proposed mine site on ML-41353 which is marked with an "S" is located in an area that shows no

evidence of past mining activity.

Accompanying this report are photographs #'s 11 and 12 which show various features as discussed in the body of this report.

A handwritten signature in dark ink, appearing to read 'W. M. Stokes', written over a horizontal line.

William M. Stokes
Minerals Resource Specialist, SITLA

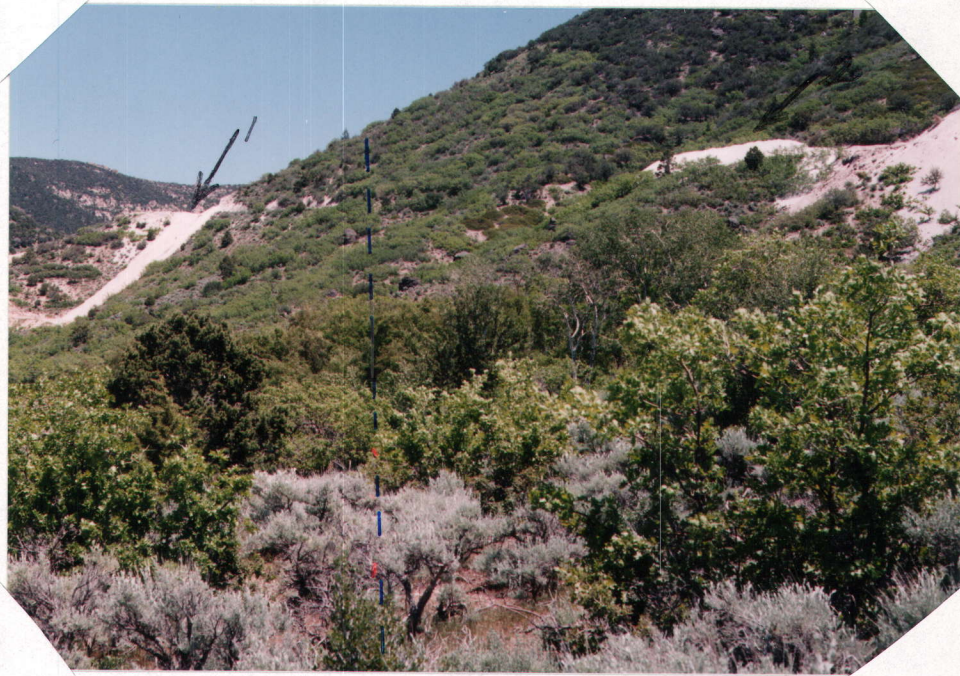


Photo. # 1, The dashed line follows the trace of the south section line of section 36, T. 27 S., R. 9 W. Arrow # 1 shows the location of mine disturbance on the Lopez lease in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of section 36. Arrow # 2 shows the location of mine disturbance apparently associated with Bradshaw Perlite and Pumice on BLM land in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of section 1 of T. 28 S., R. 9 W.



Photo. # 2, Looking southeast on to the Lopez² mine. Arrow # 1 shows the location of the main access road up Ranch Canyon. The Truck is parked on a bulldozed turnout road that falls within the area of the Bradshaw lease ML-40198. Arrow # 2 shows the access road that leads to a materials loading area that is depicted by arrow # 3. Arrow # 4 shows a materials slide, down which material is pushed from the main mined area shown by arrow # 5. Arrow # 6 shows the old access road that has been blocked off by the Bradshaw mining activity in section 1. The BLM does not consider this old access road part of any mine disturbance as it is a pre-existing road. Arrow # 7 shows a loading and stockpile area that is next to the main access road up Ranch Canyon. Another road, which is not shown in this photo, is on the east side of the hill on which the Lopez quarry is located. This road also provides access to the main quarry site.



Photo. # 3, Looking southwest along the old access road between the Bradshaw mine (Arrow) in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of section 1, T. 28 S., R. 9 W. from the Lopez main mine area. The BLM does not consider this road as a mine related disturbance and is thus not subject to reclamation.



Photo. # 4, Looking west. The dashed line shows the approximate trace of the common section line between section 2, T. 28 S., R. 9 W. and section 35 T. 27 S., R. 9 W. The arrow shows the J & J Masonry mined area. Note; a small portion of the tailings from the J & J mine falls on BLM land in section 35, T. 27 S., R. 9 W.



Photo. # 5, Panorama of the J & J mined area. Looking west from the eastern most extension of the disturbed area. Note open adit which was reported closed by the Lessee.

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Photo # 6, Looking northwest onto mine related disturbances in the northern most portion of Lot 1, section 2. It is difficult to determine if there has been any recent mining in this area. Bradshaw Pumice and Perlite has identified this area as a proposed mine site. The arrow in the upper left corner of this photo shows the location of a large stockpile of pumice which is near the main access road to Ranch Canyon and is on BLM land.





Photo. # 7, Panorama looking southwest from the "point disturbance" area, as shown on Photo # 6, onto other mine related disturbances on Lot 1 of section 2. Arrow # 1 shows the location of what has been identified by Bradshaw Pumice and Perlite as the Mt. View Survey # 2 site. Arrow # 2 is the location from which Photo # 8 was taken. Arrow # 3 is the main access road to this site which is not included in the total mine related disturbances found on Lot 1 of section 2. Note cabin that has been constructed on the site.



Photo. # 8, Looking south from the northern most extension of the stockpile area found on the Bradshaw lease on Lot 1 of section 2.



Photo. # 9, Looking north along the trace of the common section line between section 35, on the left, and section 36, on the right. Arrow # 1 shows the approximate location of a proposed mine site that has been submitted, on a topographic map, by Bradshaw Pumice and Perlite. Arrow # 2 shows the location of a old re-vegetated mine site that shows no evidence of mining activity and is indicated on Map 1 by the word "old". This old mine site is also shown in photo # 10. Arrow # 3 shows the approximate positions of proposed mine sites on Bradshaw lease ML- 41353 which is just over the hill in this photograph.



Photo. # 10, Looking southwest from the main mine area on the Lopez lease, ML- 35683, onto the "old" mine site which falls on Bradshaw lease ML-40198.



Photo. # 11, Looking south onto the common section corner of section 1 (upper left corner) and section 2 (upper right corner) of T. 28 S., R. 9 W., and section 35 (lower right) and section 36 (lower left). Arrow # 1 shows the location of the section corner monument. Note the large disturbance on the hill which is believed to be part of the Bradshaw Pumice and Perlite mining activity in section 1. Arrow # 2 shows the location of the truck which is parked on the main access road in Ranch Canyon.



Photo. # 12, Panorama of many of the features discussed in this report. Looking east from the mine disturbance at the J & J mine site in Lot 2 of section 2 in T. 28 S., R. 9 W. The dashed lines show the approximate trace of the section lines which are projected from the common section corner which is also shown in Photo. # 11. Arrow # 1 is the Lopez mine site in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of section 36. Arrow # 2 is the Bradshaw mine area in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of section 1. Arrow # 3 is the Bradshaw mine disturbance referred to as the "point disturbance" in the northern part of Lot 1, section 2. Arrow # 4 is Bradshaw disturbance referred to as the Mt. View Site # 2. Arrow 5 shows the location of the Bradshaw stockpile area. Arrow # 6 is the Bradshaw proposed mine site on ML-40198, W $\frac{1}{2}$ SW $\frac{1}{4}$ of section 36. Arrow # 7 is the surveyed proposed mine site on ML-41353, W $\frac{1}{2}$ NW $\frac{1}{4}$ section 36.

